

**BEFORE THE TENNESSEE REGULATORY AUTHORITY AT
NASHVILLE, TENNESSEE**

November 24, 2004

IN RE:

**PETITION OF MCCC ICG HOLDING LLC AND ICG
COMMUNICATIONS, INC. TO COMPLETE A
TRANSFER OF CONTROL OF AN AUTHORIZED
CARRIER**

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**DOCKET NO.
04-00230**

ORDER APPROVING TRANSFER OF CONTROL

This matter came before Chairman Pat Miller, Director Sara Kyle and Director Ron Jones of the Tennessee Regulatory Authority (the "Authority" or "TRA"), the voting panel assigned to this Docket, at a regularly scheduled Authority Conference held on September 13, 2004 for consideration of the Joint Petition of MCCC ICG Holdings LLC ("MCCC") and ICG Communications, Inc. ("ICG") (together "the Parties") for TRA approval of a transfer of authority to provide telecommunications services in Tennessee.

Background

ICG is a widely held public holding company domiciled in Colorado. ICG also is the ultimate owner of a family of telecommunications companies doing business nationwide, including ICG Telecom Group, Inc. ("ICG Telecom"). By an Order dated August 24, 1995 in TRA Docket No. 93-07922, the TRA granted ICG Telecom the authority to provide telecommunications services in the State of Tennessee ("ICG Telecom's CCN").¹

¹ At that time, ICG Telecom was operating and certificated as ICG Access Services, Inc., it was granted a name change and new certificate as ICG Telecom by an order dated October 20, 1997 in TRA Docket No 97-01434.

The Petition

In the Joint Petition, which was filed with the TRA on July 29, 2004, the Parties outline a set of transactions through which ownership of ICG and its subsidiaries, including ICG Telecom, will be transferred to MCCC. Upon completion of the transactions, ICG will become a wholly owned subsidiary of MCCC. Immediate ownership of ICG Telecom will remain with ICG, and ICG Telecom will continue to be the actual provider of telecom services in Tennessee and direct holder of ICG Telecom's CCN. The Parties are seeking TRA approval because the transactions will result in a *pro forma* transfer of ICG Telecom's CCN.

The Joint Petition states that ICG Telecom will not change its name, transfer customers, or transfer or assign its operating authority as a result of the proposed transactions. ICG Telecom expects to continue offering services in Tennessee using practices substantially similar to its current Tennessee operations. ICG Telecom customers in Tennessee will receive service under the same rates, terms, and conditions that currently apply to those services. The Joint Petition states that the proposed transactions therefore will be transparent to customers served in Tennessee by ICG Telecom.

According to the Joint Petition, ICG will gain greater access to capital and to additional well-qualified management resources through MCCC. Access to such resources will improve ICG's financial position and its competitive position in the market. As a result, the proposed transactions are expected to enhance the ability of ICG, through ICG Telecom, to provide high-quality telecommunications services in Tennessee.

Statutory Framework

The Parties submitted their Joint Petition pursuant to Tenn. Code Ann. § 65-4-112 and the rules of the Tennessee Regulatory Authority. Tenn. Code Ann. § 65-4-112(a) governs TRA

approval of mergers or consolidations between two or more public utilities holding certificates of public convenience and necessity (“CCN”) in the State of Tennessee. It provides as follows:

No lease of its property, rights, or franchises, by any such public utility, and no merger or consolidation of its property, rights and franchises by any such public utility with the property, rights, and franchises of any other such public utility of like character shall be valid until approved by the [A]uthority, even though power to take such action has been conferred on such public utility by the state of Tennessee or by any political subdivision of the state

The provision is not applicable here. The *pro forma* transfer of ICG Telecom’s CCN from ICG to MCCC does not involve the lease, merger, or consolidation of property, rights, or franchises between two Tennessee public utilities.

Instead, the transfer at issue in this docket is governed by Tenn. Code Ann. § 65-4-113. That provision requires a public utility to obtain TRA approval to transfer its CCN. Tenn. Code Ann. § 65-4-113(a) reads as follows:

No public utility, as defined in § 65-4-101, shall transfer all or any part of its authority to provide utility services, derived from its certificate of public convenience and necessity issued by the authority, to any individual, partnership, corporation or other entity without first obtaining the approval of the authority.

Tenn. Code Ann. § 65-4-113(b) provides the standards by which the TRA shall consider an application for transfer of authority, in pertinent part, as follows:

Upon petition for approval of the transfer of authority to provide utility services, the authority shall take into consideration all relevant factors, including, but not limited to, the suitability, the financial responsibility, and capability of the proposed transferee to perform efficiently the utility services to be transferred and the benefit to the consuming public to be gained from the transfer. . . .

September 13, 2004 Authority Conference

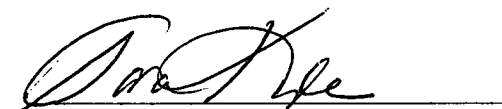
At the September 13, 2004 Authority Conference, the Directors noted the applicability of Tenn. Code Ann. § 65-4-113 and voted unanimously to approve the Petition pursuant to a finding of compliance with the requirements of Tenn. Code Ann. § 65-4-113.

IT IS THEREFORE ORDERED THAT:

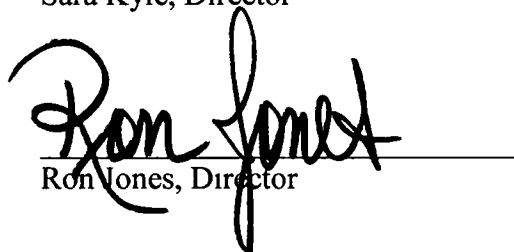
1. The Joint Petition of the Parties is approved.
2. The proposed transfer of ICG Telecom's CCN as described in the Petition and discussed herein is approved.

A handwritten signature in black ink, appearing to read "PAT Miller", written over a horizontal line.

Pat Miller, Chairman

A handwritten signature in black ink, appearing to read "Sara Kyle", written over a horizontal line.

Sara Kyle, Director

A handwritten signature in black ink, appearing to read "Ron Jones", written over a horizontal line.

Ron Jones, Director